

# **MAINE WORKERS' COMPENSATION BOARD COMPLIANCE AUDIT REPORT**

**January 09, 2001**

Public Service Mutual Insurance Company  
One Park Avenue  
New York, NY 10016-5802

**Claims Covered by Audit:** 1998, 1999 & 2000 Dates of Injury

**Companies Covered by Audit:**

Public Service Mutual Insurance Company NCCI# 16152

**Examination by:** Noreen Lyons, Auditor

**Reviewed and Approved by:** Steven Minkowsky, D.D.B.A.

The results of the audit and the procedures followed have been explained to:

<b>Name:</b>	<b>Title:</b>	<b>Date:</b>
Norman Rothstein	Workers' Compensation Claims Manager	10/30/00
Anna McGrath		

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## SUMMARY

The Audit Division of the Maine Workers' Compensation Board examined all claim files for the years audited (1998,1999,2000) to determine compliance with statutory and regulatory requirements in the following areas:

- Form filing
- Timeliness of indemnity payments
- Accuracy of indemnity payments

Our audit of the sample group revealed:

There were five claims for the period audited. Two claims were medical only claims; three claims had lost time reported.

- Form filing compliance ranged from 50% to 100%.
- Initial payments were not made timely on any claim audited. None were found to be in violation of §205(3).
- Over Seventy-one percent of subsequent payments were made timely.
- Average weekly wages and rates were calculated properly 50% of the time.

Public Service Mutual's records were examined to ensure that all 1998, 1999, 2000 lost-time claims had been reported to the Workers' Compensation Board. All claims were found to have been reported to the Board at the time of audit. Public Service Mutual's claims were found to be 100% compliant for First Report filings.

## PENALTIES

### B. Maximum Penalties Allowed by Law

#### ◆ 39-A M.R.S.A. Sec. 359(2)

“In addition to any other penalty assessment permitted under this Act, the board may assess civil penalties not to exceed \$10,000 upon finding, after hearing, that an employer, insurer or 3<sup>rd</sup>-party administrator for an employer has engaged in a pattern of questionable claims-handling techniques or repeated unreasonably contested claims. The board shall certify its findings to the Superintendent of Insurance, who shall take appropriate action so as to bring any such practices to a halt. This certification by the board is exempt from the provisions of the Maine Administrative Procedure Act.”

#### ◆ 39-A M.R.S.A. Sec. 360(1)(A)

“The board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete any report or form required by this Act or rules adopted under this Act;”

One (1) form was not filed. (\$100.00)

#### ◆ 39-A M.R.S.A. Sec. 360(1)(B)

“The board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete such a report or form within the time limits specified in this Act or rules adopted under this Act.”

One (1) form was filed late. (\$100.00)

#### ◆ 39-A M.R.S.A. Sec. 360(2)

“The board may assess, after hearing, a civil penalty in an amount not to exceed \$1,000 for an individual and \$10,000 for a corporation, partnership or other legal entity for any willful violation of this Act, fraud or intentional misrepresentation. The board may also require that person to repay any compensation received through a violation of this act, fraud or intentional misrepresentation or to pay any compensation withheld through a violation of this Act, fraud or misrepresentation, with interest at the rate of 10% per year.



## INDEMNITY BENEFITS

### A. Prompt Initial Payment of Benefits

			1998,1999,2000	
			Number	Percent
Check Mailed Within:				
0-14	Days	<b>Compliant</b>	0	0%
15-28	Days		1	50%
29+	Days		1	50%
Total Due			2	100%

### B. Prompt Subsequent Payment of Benefits

			1998,1999,2000	
			Number	Percent
Check Mailed Within:				
0-7	Days	<b>Compliant</b>	5	71.44%
8-14	Days		1	14.28%
15+	Days		1	14.28%
Total Due			7	100%

### C. Accuracy of Average Weekly Wage

			1998,1999,2000	
			Number	Percent
Calculated:				
Correct		<b>Compliant</b>	1	50%
Incorrect			1	50%
Unknown				
Total			2	100%

### D. Accuracy of Weekly Benefit Rate

			1998,1999,2000	
			Number	Percent
Calculated:				
Correct		<b>Compliant</b>	1	50%
Incorrect			1	50%
Unknown				
Total			2	100%

## FORM FILING

### A. First Report (WCB-1)

		1998,1999,2000	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	3	100%
Not Filed		0	0%
Total			100%

### B. Wage Statement (WCB-2)

		1998,1999,2000	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	3	100%
Not Filed		0	0%
Total		3	100%

### C. Schedule of Dependent(s) Statement (WCB-2A)

		1998,1999,2000	
		Number	Percent
Filed	<b>Compliant</b>	3	100%
Not Filed		0	100%
Total		0	100%

### D. Memorandum of Payment (WCB-3)

		1998,1999,2000	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	2	100%
Not Filed		0	0%
Total		2	100%

### E. Discontinuance or Modification (WCB-4)

		1998,1999,2000	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	1	50%
Not Filed		1	50%
Total		2	100%

## FORM FILING (Continued)

### F. Certificate of Discontinuance or Reduction of Compensation (WCB-8)

N/A

	Number	Percent
Received at the Board:		
Filed <b>Compliant</b>	0	0%
Not Filed	0	0%
Total	0	0%

### G. Notice of Controversy (WCB-9)

	1998,1999,2000	
	Number	Percent
Received at the Board:		
Filed <b>Compliant</b>	1	100%
Not Filed	0	0%
Filed Late	0	0%
Total	1	100%

### H. Statement of Compensation Paid (WCB-11)

	1998,1999,2000	
	Number	Percent
Received at the Board:		
Filed <b>Compliant</b>	1	50%
Not Filed	1	50%
Total	2	100%